



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

October 14, 2008

Jim Cusick
Director of Manufacturing
Shaw Diversified Services, Inc.
15305 Valley View Avenue
Santa Fe Springs, CA 90670

Dear Mr. Cusick:

RE: FINAL MONITORING VISIT REPORT for Shaw Diversified Services (Shaw) – ET07-0161

Date of the Visit:	10/09/08
Beginning/Ending Time:	9:30 a.m. – 12:00 p.m.
Date of Last Visit:	06/10/08
Visit Location:	Santa Fe Springs
Persons in attendance:	Jim Cusick, Shaw Marci Morua, Shaw Leonardo Rodriguez, Shaw Bill Woyshner, Shaw Mark Reeves, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	10/03/06 – 10/02/08	Agreement Amount:	\$389,550
Training Start Date:	10/10/06	No. to Retain:	530
Date Training must be Completed:	07/02/08	Range of Hours:	24 – 160
Type of Trainee:	Retrainee	Weighted Ave. Hours:	49

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ETP (04/15/05)

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT

Training began on October 10, 2006 and project staff confirmed that all training for this Agreement was completed by July 2, 2008, to allow for the 90-day retention period prior to the contract term end date October 2, 2008.

• INTERVIEW WITH THE SIGNATORY

You and your staff indicated that your company did not experience any significant barriers in implementing your ETP project. You also stated that your project staff did not experience any record keeping problems during the administration of this Agreement.

You reported that ETP-funded training has contributed directly and/or indirectly to morale, productivity, and quality improvements. You also indicated that the structured training program has enhanced your company's overall training initiatives. In light of Shaw's successful training project, your company has submitted a pre-application for additional ETP funding. Mr. Reeves discussed ETP's application process, recent program changes/additions, and potential substantial contribution implications.

Breakdown and discussion of expected earnings:

Project staff provided Mr. Reeves with projected statistics for the closeout of this Agreement. According to your records at the time of this final meeting, you expect to retain a total of 447 trainees. The ETP Class/Lab Tracking system shows that 447 trainees completed the minimum 24 hours of training. These 447 trainees completed a cumulative total of 18,387 hours, for a potential reimbursement of \$275,805 (18,387 hours x \$15/hr). However, as discussed during today's visit, the ETP online system shows that there is a pending \$7,715 funding adjustment for unearned payments made for trainees that were subsequently dropped from the program. The pending funding adjustment lowers your projected earnings to \$268,090 or approximately 69% of the Agreement total.

Your records show that 447 trainees have completed training and the 90-day retention period. To date, Shaw has received \$82,136 in unearned progress payments. Mr. Reeves reminded your project staff that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Enrolled:	594	Completed Training:	447
Trainees Started Training:	495	In Retention Period:	0
Dropped Following Enrollment:	147	Completed Retention:	447
Completed Minimum Hours for Reimbursement:	447		

ATTENDANCE ROSTERS:

Mr. Reeves reviewed daily attendance rosters for 20 trainees for the period covering September 6, 2007 through June 26, 2008. The training documented during this review included Continuous Improvement topics from the approved curriculum.

During records review, Mr. Reeves found approximately three rosters where the trainer's date of signature did not match the trainees' date of signature. Mr. Rodriguez explained that the discrepancies occurred due to the logistical challenge of gathering training records from in-house trainers at separate company locations. Mr. Rodriguez stated that project staff had to occasionally seek and remind trainers to submit any/all unaccounted for rosters. He indicated that some in-house trainers also had to be reminded that they too were required to sign/date attendance rosters to certify training delivery. Mr. Rodriguez explained that date discrepancies occurred if a trainer subsequently signed/dated a roster that had been misplaced and/or not submitted timely to Shaw's project staff.

Your records showed that ETP requirements were met and properly documented. The rosters were complete and topics from the approved curriculum were delivered.

These findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed. It is your responsibility to ensure that 100 percent of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22, California Code of Regulations, Section 4442).

AUDIT:

Shaw will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Mr. Reeves at (818) 755-3635 or by e-mail at sreeves@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

S. Mark Reeves, Contract Analyst
North Hollywood Regional Office

cc: Leonardo Rodriguez, Shaw (via e-mail)
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 10/22/08